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In The

Supreme Court of the United States

OCTOBER TERM, 1962

No. 160

LA MAUR, INC.,

Petitioner,

vs.

L. S. DONALDSON COMPANY and G. BARR AND COMPANY,

Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Eighth Circuit

PETITIONER'S REPLY BRIEF

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Respondents' brief in opposition only serves to confirm our contention that the court below failed to consider whether or not the subsidiary basic findings of the District Court are "clearly erroneous." Instead of attempting to dispute our contention, respondents simply claim that there is some evidence to support the new "findings" of basic fact made by the Court of Appeals in its *de novo* reappraisal of the record. In advancing this argument, respondents wholly misconceive the applicable standard of review. The question is not whether the new "findings" by the Court of Appeals have some support in the record, but is whether the original findings of basic fact by the District Court are clearly erroneous.

The District Court found that the Spiegel invention consisted principally of the discovery that PVP is soluble in alcohol and Freon if no water is present (Pet. App. 63, 65).[1] While recognizing that shellac had been used in such solutions in aerosol hair sprays, the District Court made the subsidiary basic finding that "shellac-type materials * * * have no chemical similarity to PVP" (Pet. App. 49). As respondent Barr's former chief chemist testified, the Spiegel invention was a "revolutionary" advance over the prior art shellac aerosol hair sprays, because PVP is water soluble and can easily be washed out of the hair, whereas shellac is not water soluble and is difficult to remove (R. 78).

In holding that the Spiegel discovery did not constitute a patentable invention, the Court of Appeals ignored the subsidiary finding of the District Court and concluded, instead, that shellac-type materials and PVP do have a "chemical similarity" because both are "resins" (Pet. App. 40). The court below could as well have found that oxygen and hydrogen are similar because both are "chemicals." Since PVP and shellac have entirely different solubility characteristics, the two substances have never been regarded as interchangeable (R. 321). PVP is water-soluble; ordinary shellac is not, and it was not included with PVP in the Janistyn list of thirty substances, on which the respondents rely, which are useful in water solution as hair fixatives (R. 316-17, 346-7; E.V. 167). Elastolac (a water solubilized shellac derivative), on which the respondents also rely, is water-soluble, and Janistyn taught that either PVP or Elastolac could be used *in a water solution*. Janistyn's teaching does not apply to any *other* solutions. The Elastolac hair spray "with ethyl alcohol and Freon," to which respondents refer (Resp. Br., p. 7), concededly included substantial water (R. 599). In

[1] "Pet. App." refers to the Appendix printed with the Petition.

the presence of an equal quantity of water. PVP is *not* compatible with alcohol and Freon. The compatibility discovered by Spiegel exists only with anhydrous (water-free) alcohol and Freon (R. 239, 353).

Respondents' reliance on the testimony of the witness Juettner similarly ignores elementary facts of chemistry. The witness testified that he found nothing in the file history of the Spiegel patent disclosing that the Patent Office was aware of a "substantially water-free alcoholic solution of a water-soluble shellac and Freon" (R. 544), but such a solution concededly never existed: ordinary shellac was used in a water-free alcoholic solution, but was not water-soluble, while Elastolac, itself water-soluble, was not used in a solution substantially water-free (R. 599).

Contrary to respondents' contention (Resp. Br., p. 6), no question is presented as to the standard of appellate review applicable to the ultimate fact or conclusion of invention. The District Court's "ultimate" finding of invention was plainly warranted on the basis of its "subsidiary" or "subordinate" or "basic" finding that PVP and shellac-type materials have no chemical similarity. Cf. *United States v. Du Pont De Nemours & Co.*, 353 U.S. 586, 598 (1957); *Offutt v. United States*, 348 U.S. 11, 15 (1954); *Timken Roller Bearing Co. v. United States*, 341 U.S. 593, 597 (1951). The Court of Appeals' finding that there was no invention rested on its subordinate finding that such materials and PVP are in fact chemically similar because both are resins.

We present the foregoing analysis of respondents' argument on the merits in order to illustrate the difficulties faced by an appellate court in making *de novo* findings of basic fact, as was done by the Court of Appeals in this case. When a subject is as complex and unfamiliar as polymer solubility, compliance with Rule 52(a) is essential for the fair administration of justice.

Finally, as to respondents' assertion that "the patent in suit no longer exists" (Resp. Br., p. 5), Title 35 U.S.C., Sec. 252, provides in part as follows:

> "The surrender of the original patent shall take effect upon the issue of the reissued patent, and every reissued patent shall have the same effect and operation in law, on the trial of actions for causes thereafter arising, as if the same had been originally granted in such amended form, but in so far as the claims of the original and reissued patents are identical, such surrender shall not affect any action then pending nor abate any cause of action then existing, and the reissued patent, to the extent that its claims are identical with the original patent, shall constitute a continuation thereof and have effect continuously from the date of the original patent."

The first nine claims of the reissued Spiegel patent are identical with the claims of the original Spiegel patent, except that a typographical error in Claim 1 was corrected.

Respectfully submitted,

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